



CITY OF HAYWARD DOWNTOWN SPECIFIC PLAN & EIR

Design Charrette Brown Bag Session: Market Analysis
March 17, 2017



INTRODUCTION

MJB Consulting

Michael J. Berne, President

LWC

Jennifer Daugherty, AICP, Senior Associate



AGENDA

1 Retail

2 Residential & Office

RETAIL



STRATEGIES TO CONSIDER

RETAIL

- Accepting the limits of physical and design upgrades
 - Solving the "Loop" and improving connectivity – necessary *but* not sufficient
 - Positioning and tenancing strategy must...
 - Accurately reflect market realities
 - Have secured private sector buy-in



STRATEGIES TO CONSIDER

RETAIL

- Taking an incremental approach with retail mix
 - Starting with what *already* works
 - Ensuring continuity with and not straying too far from the current reality
 - Aiming for that *next* evolutionary stage
 - Not necessarily the ultimate aspiration, but stages cannot easily be "leapfrogged"



STRATEGIES TO CONSIDER

RETAIL

- Getting to that *next* evolutionary stage...
 - Arrival of new anchors and bell-weather
 - Growth in momentum and "buzz"



STRATEGIES TO CONSIDER

RETAIL

- Calibrating demands to balance-of-power
 - Limited wiggle room with developers/tenants
 - This is *not* San Francisco...
 - Will bolt for less risky alternatives
 - ... or not even try in the first place



STRATEGIES TO CONSIDER

RETAIL



- Sending the right message to the private sector
 - If [Lincoln Landing] ultimately does not go forward, "that would be the '**kiss of death**' for Downtown Hayward as far as the development and leasing communities were concerned."
 - Prominent East Bay retail leasing professional

STRATEGIES TO CONSIDER

RETAIL

- Correlating zoning and design standards with retail viability
 - Allow some concessions on automobile-oriented corridors
 - Larger signage, perpendicular to the street
 - *Visibly* adjacent parking
 - Encourage higher densities to support retail "leaders"
 - Increases consumer demand
 - Lessens importance of ground-floor rents in pro-forma



STRATEGIES TO CONSIDER

RETAIL

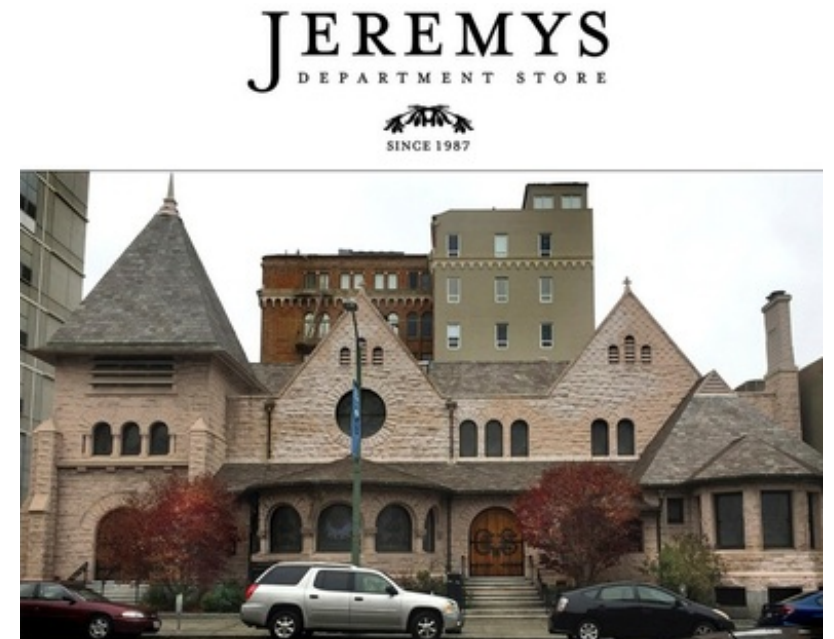
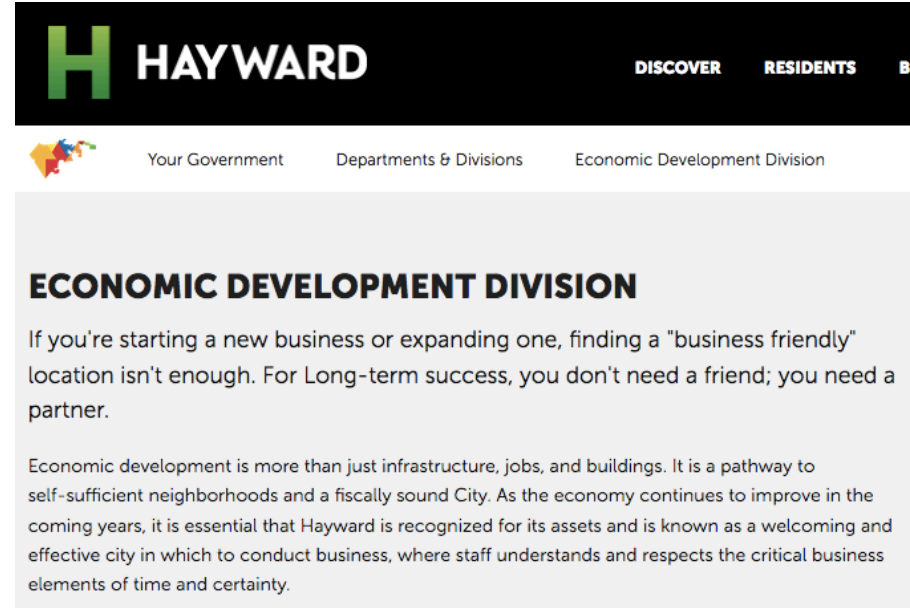
- Allowing the free market to dictate retail mix
 - Not sure how it will want to evolve
 - Consumer preferences are varied and subjective
 - Interventions can be based on unrepresentative voices, ultimately backfire
 - Biggest fears often misplaced
 - Downtown Hayward large enough to accommodate independents, chain-lets *and* larger chains



STRATEGIES TO CONSIDER

RETAIL

- Capitalize on Economic Development's role and strengths
 - Retail development community moves at a different pace
 - Inability to keep up can badly damage City's image



STRATEGIES TO CONSIDER

RETAIL

- Embracing Downtown's "core" customer
 - Young (i.e. in 20's or 30's)
 - Ethnically diverse
 - Lower and middle-income
 - Kids in tow or at home



STRATEGIES TO CONSIDER

RETAIL

- Most interesting (and least vulnerable) business districts offer a diversified retail mix
 - Can draw on several different markets
- Notion of Downtown as a "crossroads" for the entire city



STRATEGIES TO CONSIDER

RETAIL

- Giving *proportional* attention to Downtown's secondary markets
 - Students (high school, university, community college)
 - Similar demographically in many respects to core customer
 - Affluent empty-nesters
 - Largely latent at present
 - Young, upwardly-mobile professionals
 - Still modest but likely to grow in number
 - Local employers
 - Interested in entertainment venues for company events

STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage)
 - Value-priced natural foods anchor
 - "Fast casual" eateries



STRATEGIES TO CONSIDER

RETAIL

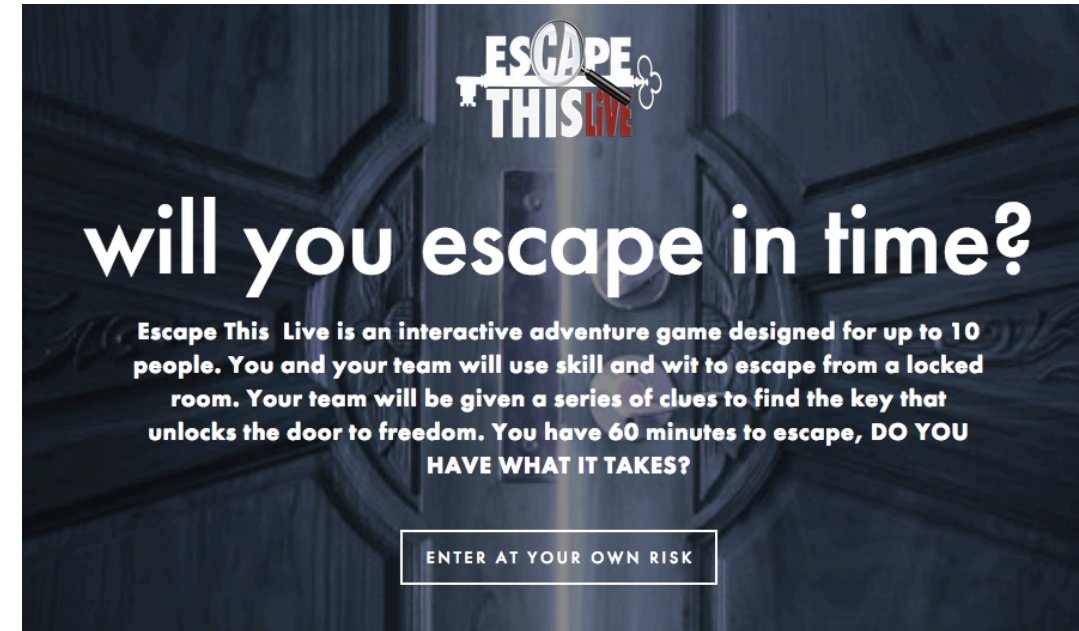
- Elevating Downtown's retail mix (to the *next* stage)
 - Oakland and Peninsula-based restaurateurs and chefs
 - Destination food concepts with a "cult" following



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage)
 - Diversified entertainment offerings



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage)
 - Niche-driven boutiques



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage) – common elements
 - Contemporary decor and signage
 - Accessible pricing and product
 - Unpretentious and relaxed vibe



STRATEGIES TO CONSIDER

RETAIL

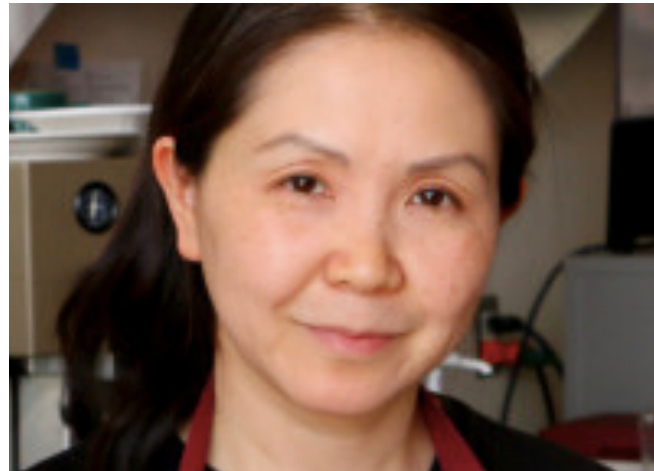
- Elevating Downtown's retail mix (to the *next* stage) – most likely tenants
 - Smaller chain-lets and entrepreneurs
 - Often undercapitalized
 - Successful track record in analogous districts
 - Drawn to the narrative of upward trajectory
 - Undeterred by rough edges and inconveniences of Downtown settings
 - Homelessness/vagrancy



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage) – most likely tenants
 - Harnessing Hayward's entrepreneurial energy
 - Role of *Popuphood*
 - CSUEB's strength in entrepreneurialism



STRATEGIES TO CONSIDER

RETAIL

- Remembering that retention is just as important as attraction
 - Either your best ambassadors or your black eye...



RESIDENTIAL & OFFICE

RESIDENTIAL TRENDS

Millennials and Baby Boomers – Moving markets

- Housing supply/type
- Housing affordability
- Preference for walkable, transit accessible, mixed-use communities
- Bay Area housing market



www.redfin.com

RESIDENTIAL DEMAND

Downtown Hayward Future Residential Demand

Future Demand/Needed Capacity

- ***Approximately 4,404 units needed***
 - Accounts for pipeline projects:
 - Lincoln Landing - 476 units
 - Maple & Main - 240 units
- ***Approximately 2,642,400 – 5,284,800sf***
 - Unit size range 600sf - 1,200sf

OFFICE TRENDS

Changing Landscape; Cautiously Optimistic

- Moving back to downtowns
- Proximity to key transit and circulation routes
- Telecommuting, co-tenanting
- Fiber optic
- Bay Area office market



www.oaklandnorth.net

OFFICE DEMAND

Downtown Hayward Future Non-Retail/Residential Demand

Future Demand/Needed Capacity

- ***Assume 874 non-retail jobs***
 - Professional/finance
 - Health/education/recreation services
 - Other
- ***Approximately 174,800 sf***
 - Office space - 200sf/employee

DEVELOPMENT ECONOMICS

- Development costs
- Development revenues
- Development risk



http://www.rakenapp.com/wp-content/uploads/2015/02/Steel_construction.jpg

WHY?

**Inform preparation of
feasible development
standards and
programs**

STRATEGIES

GENERAL

- Streamline permitting
 - Create predictable development standards
 - Allow desired uses by-right
 - Process permits efficiently and provide options to expedite

STRATEGIES

GENERAL

- Incentivize desired development
 - Reduce parking burden where appropriate
 - Create a standardized development agreement
 - Reduce fees temporarily

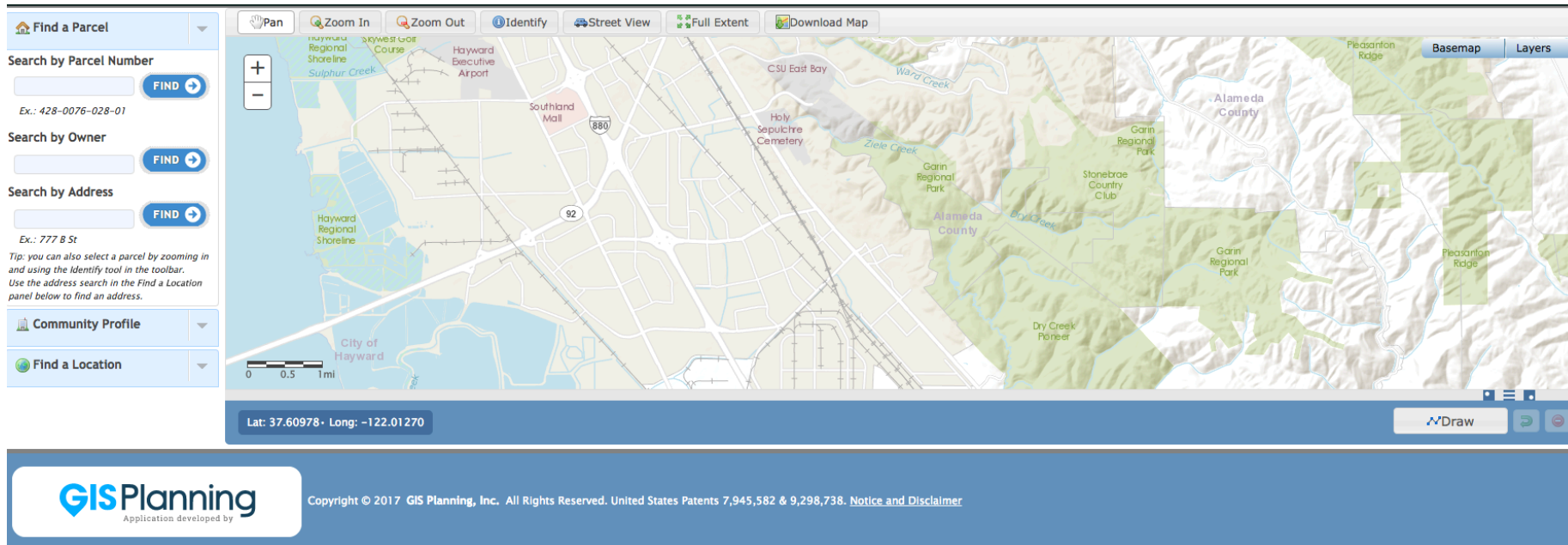


Google

STRATEGIES

GENERAL

- Improve informational/promotional resources
 - Online tools for available/opportunity sites



STRATEGIES

GENERAL

- Leverage existing vacant or underutilized City properties and parking lots for public-private partnerships
- Conduct activities to create “shovel-ready” opportunity sites
- Address infrastructure deficiencies
- Promote the use of historic preservation tax credits for rehabilitation

STRATEGIES TO CONSIDER

RESIDENTIAL

- Provide new housing units to support existing businesses and reduce commercial vacancies
- Allow varied housing types and affordability levels to support diverse community
 - Live/work spaces
 - Mixed-use
 - Accommodate strategies that lower housing costs (e.g., affordable-by-design strategies, unbundle cost of parking, etc.)

STRATEGIES TO CONSIDER

OFFICE

- Flexible nonconforming standards to support new tenants
- Reduce parking rates
- Assist with efforts to fill vacant office space
- Provide/enhance small business assistance



Thank you.

LISAWISECONSULTING.COM | (805) 595 1345



LWC
